

JOINT TRANSPORTATION COMMITTEE

MARCH 17, 2005

MAYOR GEORGE K. HEARTWELL
CITY OF GRAND RAPIDS

- Grand Rapids appreciates the strong Partnership we have had with MDOT and the Grand Region office over the years. Staff at the Grand Region office has been very helpful and cooperative – Roger Safford, Vicki Werstra, Suzette Peplinski, Tim Little, Art Green, Dennis Kent, Dean Peterson, and others.
- The following are examples of the fruits of that partnership:
 - US-131 (S Curve) project. Appreciated MDOTs' cooperation and responsiveness on this extensive project, which was accomplished in one construction season. Compliments to the regional staff on this major project. The regional staff kept City staff and policy makers, as well as residents, businesses, and the motoring public, up to date on this project throughout the planning, design, and construction process. The innovative express transit services funded by the State and provided by The Rapid ensured that business travel to the downtown area was uninterrupted. The project went exceptionally well, given the traffic volume of approximately 120,000 vehicles per day in an urban area.
 - M-45 (Lake Michigan Drive) from Manzana drive (Walker) to Fulton Street (Grand Rapids). MDOT was responsive to the neighborhood's desire to include a 5th lane in the area of Holy Spirit school and church to provide left turn movements through out the corridor. Also, MDOT was willing to include the construction of necessary retaining walls and a sidewalk for which the City received Enhancement Grant funds. The inclusion of this portion of work and the arrangements made for cost participation with private parties through agreements between the City and MDOT saved money, saved time and produced a better product than otherwise would have been possible. Partnership paid significant dividends...
 - The development of the Central Station using a mix of Federal and State capital support has provided riders of The Rapid with the most up-to-date, convenient and attractive bus station in the MidWest. It is, as far as we know, the first LEED certified transit center in the nation.

- The City Appreciates MDOTs' responsiveness to Enhancement Grant requests for non-traditional traffic related facilities. This has provided the City with an opportunity to provide landscaping along various roadways, as well as bike/pedestrian paths throughout the area. Also, the ability to use enhancement grants for the reconstruction of brick streets in historic districts has been a revitalization tool for these areas. Together, we have been able to build more fully functional, context sensitive transportation facilities. This funding source needs to continue.
- The level of cooperation and the willingness to work together regarding the compliance with the City's noise variance for various MDOT projects is exceptional. The regional office staff has been responsive to both citizens and city's concerns, and the working relationship is excellent. Noise variances were recently granted for various MDOT projects, including US-131 S Curve, M-45 (Lake Michigan Drive) and most recently for work on US-131 and I-196 which is scheduled to be under construction in 2005.
- We applaud MDOTs' "preservation first" priority. This is consistent with the City's recently completed 21st Century Infrastructure Task Force Report for its streets. In this document, the City has established a priority for asset management, and provided a guideline for street repair/reconstruction to include a "mix of fixes." This ground-breaking report:
 - identified a requirement of approximately \$12 Million dollars annually in funding for street needs in the City, for which on average approximately \$7 to 8 Million dollars has been made available through State gas and weight tax funds, federal transportation grants and a subsidy from our general operating fund that has ranged from \$1.5 million to \$2.2 Million per year.
 - Focused the City on asset management, which in turn is predicated upon having a reliable and consistent funding source that meets the needs of the funding equation.
 - We have to work with MDOT in an effort to close the \$4.0 million funding gap between current state and federal support and local contribution.

- The funding gap is where the rubber meets the road. If we believe in preservation and asset management, we need to be willing to pay for it. There are many approaches the partners in transportation could take to developing the necessary funding. Let me suggest a few:
 - Work is being done on local option license tag fee legislation that would permit a voted addition to license tag fees if approved by the voters in a county-wide election. A bill was introduced in the house late last session. Such legislation would provide a local option for raising additional funding for transportation purposes.
 - Act 51 could be further simplified to permit merging of the local and major street funds into one transportation fund at the local level. Rules on uses would not need to be amended. This simple change would permit local units to allocate act 51 funds and local resources more efficiently according to an asset management approach. It would also eliminate duplicate accounting and reporting. It would "lean" the process down considerably.
 - Cities have the distinction of being responsible for 12.5% of the local share of the cost of projects on the interstate, U.S. and trunkline highway system. The city has debt for the s-curve project that detracts from funds it could be using for asset management on major and local city streets. Now as major improvements are being scheduled for I-196 within the city limits, we can see another obligation approaching \$10 million staring us in the face. Statewide systems should be supported by statewide revenue sources. The 12.5% highway tax on cities (not counties or townships) should be repealed.
 - Isn't it time to reset and then index the gas tax and true up the diesel tax? These two taxes have the most direct user-pay-benefit relationship of any major tax or fee that the state levies. Yet, the last increase was years ago. Costs have increased significantly since then. Purchasing power and, therefore, results have begun to decline. Ultimately we will find ourselves in the familiar situation of having to look at a significant increase in this important tax. Why not address it now when the change could be small and phase it in over several years? Remember, asset management requires consistent investment to achieve desired results.

Let me also address transit matters.

- Transit systems in Michigan are becoming victims of their own success. As the demand for services increases, public transportation authorities are stepping up to the plate. They are serving more and more riders, they are expanding services to meet the communities' needs, and they are, with an extremely high rate of success, getting the financial support of their communities thorough continued and in many cases, increased, local millages. For example, in the Grand Rapids metro region, area residents voted 2-1 to support an increased millage for *The Rapid* during a time when a number of other millages failed.
- However, despite this success, *The Rapid* and other agencies across Michigan are able to rely less and less on state operating assistance. There are many consequences, none of them good. Systems are being forced to use capital funds to meet operating expenses. This translates into an inability to purchase new equipment, implement technologies that significantly increase operational efficiency, or upgrade passenger amenities. Once this option has been exhausted, systems have no choice but to cut services or take other drastic measures to curtail expenses. Time and time again, it has been shown that public transportation benefits a community economically, environmentally, and socially. Systems cannot continue to make these contributions if they are forced to continually react to dwindling state funding.
- Any serious discussion of long-range transportation planning or short-term planning for that matter-must include identifying real solutions to the problem of stabilizing state operating assistance, guaranteeing state match on federal transit formula and discretionary funds, providing for the equitable distribution of Congestion Mitigation and

Air Quality (CMAQ) program funds to transit projects, and ensuring that localities are rewarded, not punished, for operating, using, and supporting good public transportation.

- *The Rapid* has undertaken an effort to plan for the future implementation of a high capacity system. This effort, the Grand Tomorrows Great Transit (GT2) study is currently underway; an alternative analysis is being conducted to identify the primary corridor and transportation choice for Michigan's first high capacity public transportation system. A locally preferred alternative (LPA) is expected to be approved in early 2005 and included in the Grand Valley Metro Council's long range plan. If we are to ever successfully compete with other states for the federal New Starts funding that funds these types of major corridor improvements, we must have a commitment for state match for the next phases of the study including environmental assessments, preliminary engineering and final design of the preferred high capacity system. We must reexamine the mechanisms that are in place to provide capital and operating support, both at the state and local level, if we are to successfully capture New Starts funding. One obvious example of this is that transit systems are legally limited to a millage collection period of five years. There is no way the FTA will commit federal dollars to a major investment that can only be guaranteed for five years. We must identify and put into place funding mechanisms that can support the 20-25 year financial plan that a major infrastructure improvement requires. Needless to say, this funding cannot occur at the expense of other Michigan systems.

- There have been some significant strides under the current MDOT administration in looking at the whole picture when we are talking about transportation planning. However, we must go further in ensuring that all modes – and how they connect – are the focus of short- and long-range transportation planning. Non-motorized modes cannot be

an afterthought. This produces a system in which all transportation aspects – roads, parking, pedestrian access, public transportation, and bicycle access – work together to offer Michigan's citizens viable, safe alternatives so that they can choose how best to make a given trip. If the only reasonable option of getting anywhere is to get in a car, we are putting the health of our cities and of our citizens in serious jeopardy.

- Thank you for the opportunity to provide comments. We look forward to the ongoing excellent relationship we have been able to develop with MDOT and its staff.